ASX Release

24 February 2015

Great Western Exploration Limited
ABN 53 123 631 470

Great Western Exploration Limited is a publicly listed exploration company with the primary objective of creating wealth for shareholders through the discovery of world-class mineral deposits.

ASX Code: *GTE*

Capital Structure

Shares on Issue: 178.4 M

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Exciting New Nickel Sulphide Prospect Identified at Yerrida

Great Western Exploration Limited announces that it has identified an exciting new nickel sulphide prospect at Yerrida where the Company believes the geological setting is analogous to the Nova nickel deposit

The company believes that New Springs Prospect is highly prospective for magmatic nickel sulphide mineralisation for the following reasons:

- ✓ Proterozoic layered mafic-ultramafic (dolerite-gabbro-pyroxenite) intruded along the margin of the Yilgarn Craton.
- ✓ Whole rock geochemistry analysis is consistent with a key geological process that can lead to the formation and segregation of a nickel – copper sulphides.
- ✓ Regional geochemistry indicates there is a significant localised enrichment of nickel, copper, cobalt, gold and PGEs which indicative of magmatic nickel sulphide mineralisation.
- ✓ Three high priority airborne EM anomalies near the known pyroxenite outcrop.
- ✓ Regional geological setting meets the criteria set out by the USGS for magmatic nickel sulphide mineralisation exploration.

Great Western Exploration Limited advises that it has identified its first high priority nickel sulphide prospect at Yerrida. This is in addition to the promising Finlayson gold prospect identified in drilling reported during the previous quarter.

New Springs Nickel Prospect

The New Springs nickel prospect is located within the Proterozoic Yerrida basin approximately 85km northwest of Wiluna and approximately 10 km northwest of the Company's Finlayson Gold Prospect (fig 1).

The company believes that the New Springs prospect has similar characteristics to known mafic-ultramafic sequences that host significant magmatic nickel sulphide deposits elsewhere in the world. Furthermore the company also believes there are some significant similarities between the geological setting, geochemistry and timing of New Springs when compared to the Nova nickel deposit. The key indicators are as follows:

- Proterozoic layered mafic-ultramafic (dolerite- gabbro-pyroxenite) intruded along the margin of the Yilgarn Craton during the Proterozoic.
- Geological Survey of Western Australia ("GSWA") analysis of whole rock geochemistry of samples taken from the Killara volcanics is consistent with sulphur saturation, which is a key geological process that can lead to the formation and segregation of a nickel – copper bearing sulphide mineralisation essential for the formation of nickel sulphide deposits.
- Regional geochemistry indicates there is a significant localised enrichment of nickel, copper, cobalt, gold and PGEs which indicative of magmatic nickel sulphide mineralisation.
- Three high priority Airborne EM anomalies near the known pyroxenite outcrop.
- Regional geological setting meets the criteria set out by the USGS for magmatic nickel sulphide mineralisation.

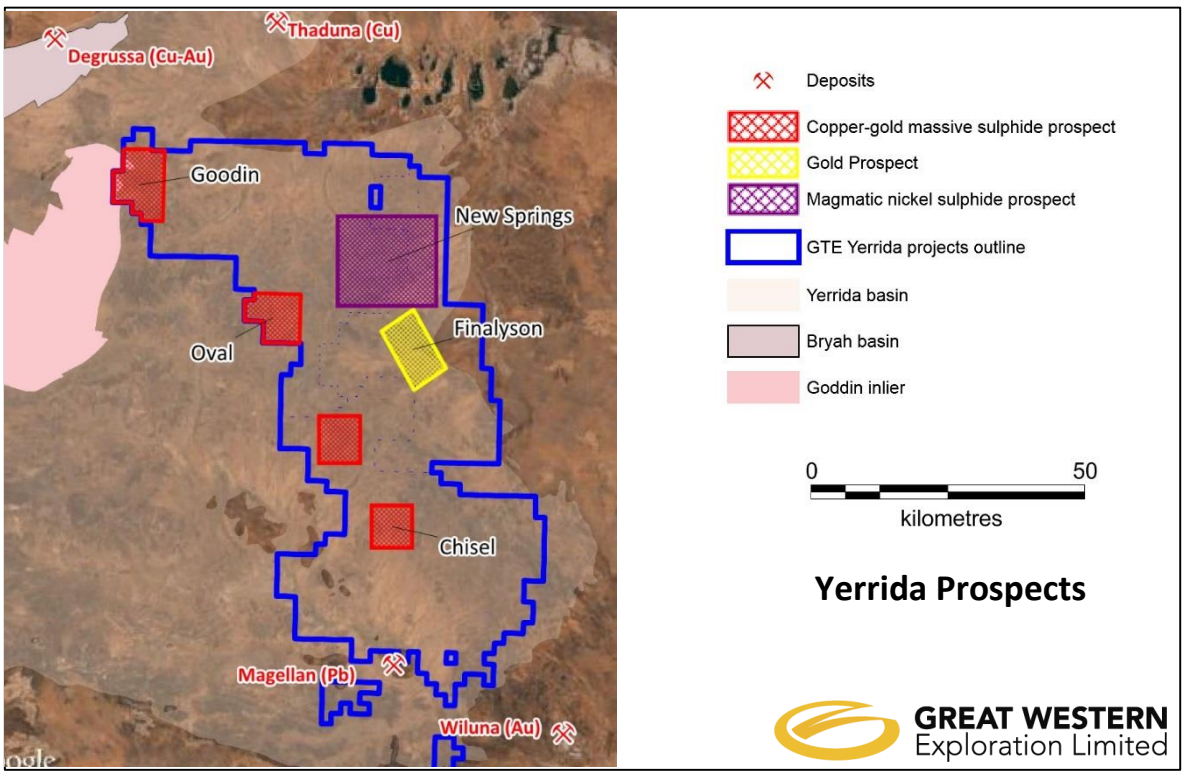

Figure 1. Location of Prospects at Yerrida

Geological Setting

The prospect is located within a mafic – ultramafic (gabbro-pyroxenite) sequence that forms a part of the Killara volcanic unit within the Yerrida basin that has been emplaced along the margin of the Yilgarn Craton during the Proterozoic (fig 2).

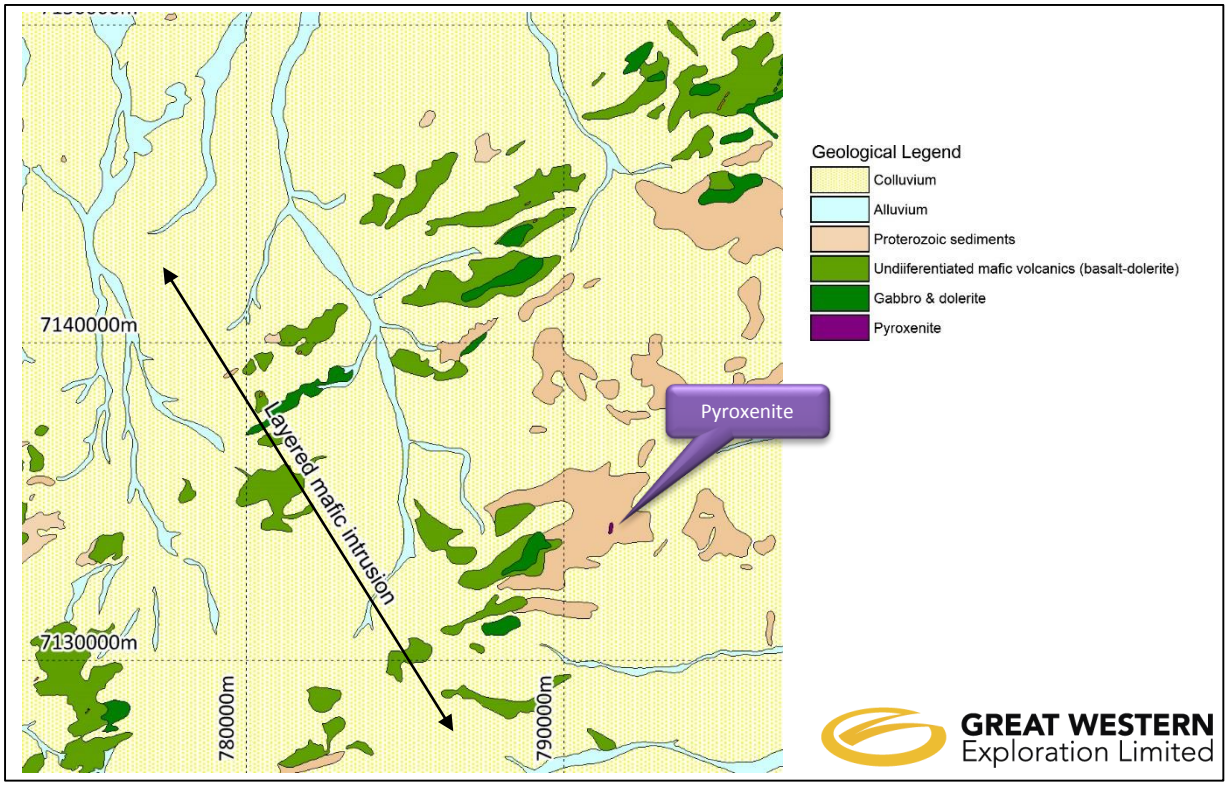

Figure 2. Simplified GSWA regional geology map showing the layered dolerite-gabbro-pyroxenite (mafic - ultramafic) target stratigraphy

Magmatic nickel sulphide deposits hosted in similar mafic – ultramafic sequences account for approximately 60 percent of the world's Ni production and are also a major source of chromium, cobalt, copper and PGEs. These terrains are active exploration targets globally and host some of the world's largest nickel deposits including Voisey's Bay (Canada), Norilsk (Russia) and Jinchuan (China). In addition there are similarities with the Nova deposit which is also hosted in a gabbro-pyroxenite sequence emplaced along the margin of the Yilgarn Craton also during the Proterozoic.

Whole rock geochemical analysis completed by the GSWA on the Killara volcanics is consistent with sulphur saturation that is a key geological process that can lead to the formation and segregation of a nickel – copper bearing sulphide mineralisation from the parent magma which is essential for the formation of nickel sulphide deposits.

Furthermore the whole rock geochemical signature of the Killara volcanics is similar to the mafic – ultramafic sequences that host the Norilsk nickel deposits and also exhibits lower than average copper concentrations similar to the host rocks at Nova.

Because of the global importance of magmatic nickel sulphides deposits the United States Geological Survey ("USGS") completed a worldwide review in 2010 on this style of mineralisation to determine a preliminary deposit model to facilitate the assessment for undiscovered, potentially economic

magmatic Ni-Cu±PGE sulfide deposits. They conclude the regional geological guide for magmatic nickel mineralisation are as follows:

- Large volume of mafic volcanic sequences with evidence of primitive Mg-rich melts and large volumes of tholeiitic magmatic rocks occurring on or near the edges of ancient cratons.
- Province boundaries, rifts, and deeply penetrating faults that can allow for efficient transport of magma through the crust.
- Small- to medium-sized differentiated mafic and (or) ultramafic dykes and sills,
- Deposits are generally not hosted in thick, large-layered intrusions.
- Sulfur-bearing crustal rocks into which the layered mafic rocks are intruded.

All of these criteria are either directly observed or can be reasonably interpreted to occur at New Springs where the GSWA has interpreted sulphur bearing crustal rocks, province boundaries, rifts within the Yerrida basin.

The company can see a number of important similarities between New Springs and Nova (table 1) and believes the geological setting is equivalent prior to the metamorphic overprinting at Nova that is a characteristic of the Fraser Range Complex.

Table 1. Comparisons with of New Springs with Nova nickel deposit

Description	Nova	New Springs
Similar rocks (layered gabbro-pyroxenite intrusion)	✓	✓
Proterozoic age	✓	✓
Located on margin of Yilgarn craton	✓	✓
Regional geochemical Ni anomaly	✓ (271 ppm NI)	✓ (221 ppm Ni)
Similar sized “eye” setting (~2.5km)	✓	✓
Similar size EM plate model (~800m)	✓	✓
Metamorphic grade	High	Low

As magmatic nickel sulphides mineralisation forms prior to any regional metamorphism the USGS study concluded no obvious correlation between the metamorphic grade of the host rocks and the formation of magmatic nickel sulphides deposits.

Regional Geochemistry

The company completed analysis of the regional geochemical database by normalising each sample by dominate rock type and then calculating a response ratio which is equivalent to how many times an element is above its natural background to identify areas where these elements are enriched. The results identified the New Springs, Goodin and Chisel prospects (Fig 4).

The New Springs prospect is strongly anomalous (> 20 times background) in nickel, copper, cobalt, gold and PGEs with the peak nickel values of 574 ppm and 221 ppm and maps out a broad area that is enriched in nickel, copper, cobalt, Gold and PGEs co-incident with the layered mafic – ultramafic sequence (Fig 3).

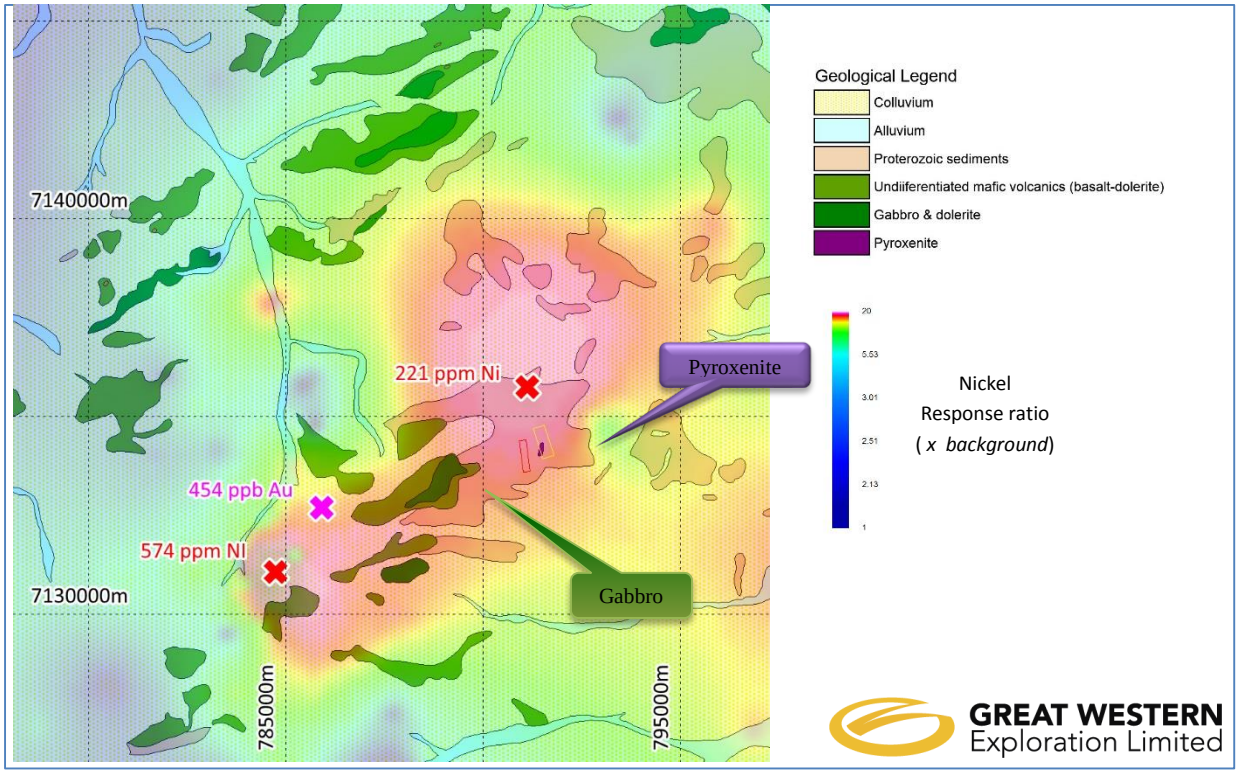

Figure 3. GSWA regional geology overlain by the regional gridded nickel response ratios. Also shown is the location of the two maximum nickel and the maximum gold assay at the New Springs prospect from the regional geochemistry database in relation to the gabbro and pyroxenite outcrops

This compares well with the Nova nickel deposit which is also hosted in gabbro-pyroxenite sequence where a similar regional geochemical survey was completed over the Fraser Range that identified a nickel anomaly with a peak value of 271ppm that ultimately led to the discovery of Nova.

The company also has broad spaced 800m x 800m regional soil samples over most of the region that mapped elevated nickel, copper and gold in the vicinity of the pyroxenite outcrop. This survey was initially optimised for VMS style mineralisation so some of the pathfinder elements used for magmatic nickel sulphide mineralisation were not assayed. However analysis of the trace elements that were assayed is consistent with nickel and copper enrichment from a magmatic source.

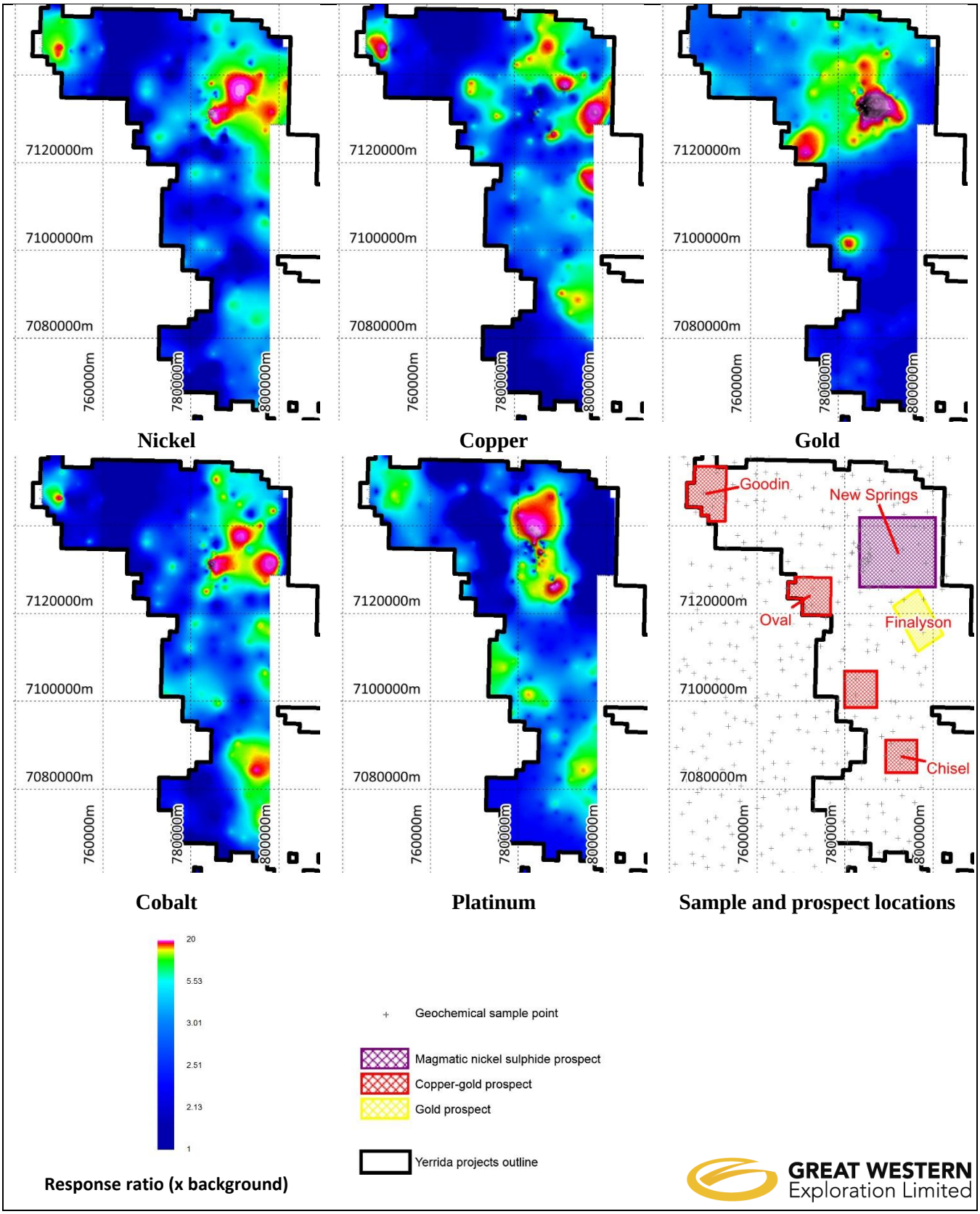

Figure 4. Regional response ratio grids showing the New Springs prospect exhibits strong enrichment in nickel, copper, gold, cobalt and platinum (> 20 times background) when compared to similar rocks in the Yerrida basin.

Geophysics

Currently there is 200m VTEM (airborne EM) and 300m line spaced HeliTEM (airborne EM) coverage over parts of the prospect area that GTE had previously and broad 400m spaced regional government aeromagnetic data that covers the entire region.

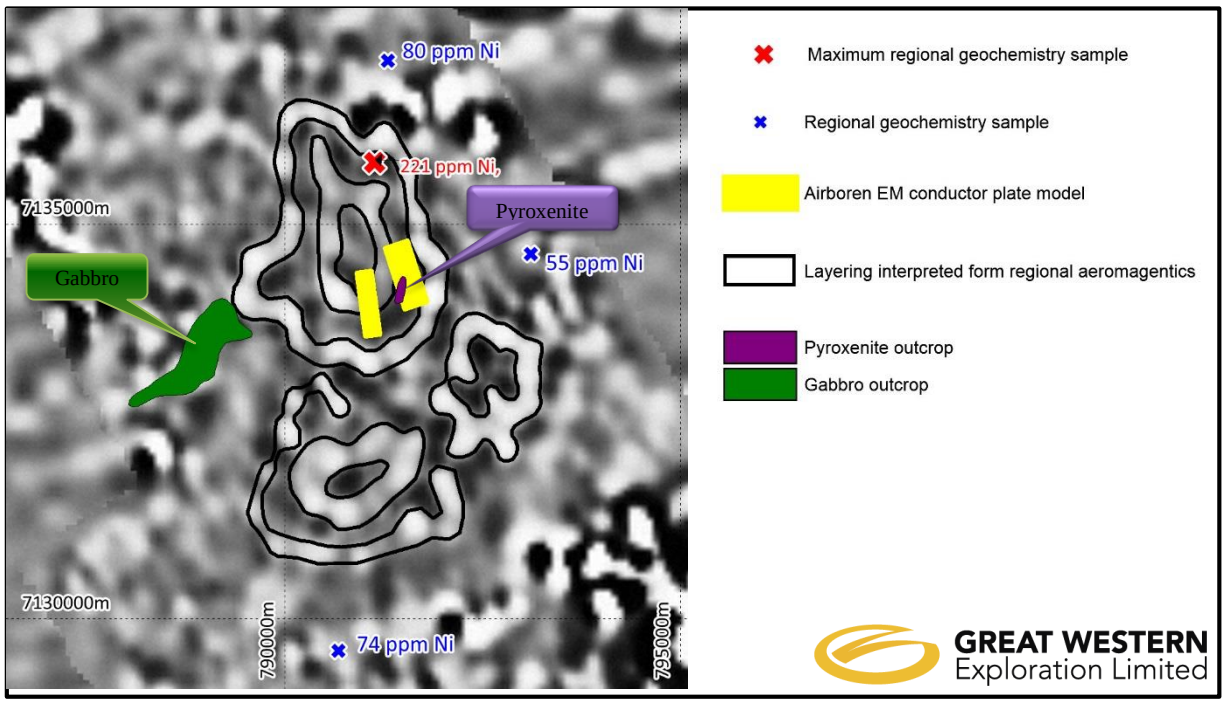

Figure 5. Some features of interest in the regional aeromagnetic data may represent smaller distinct layers or intrusions within a larger intrusive body

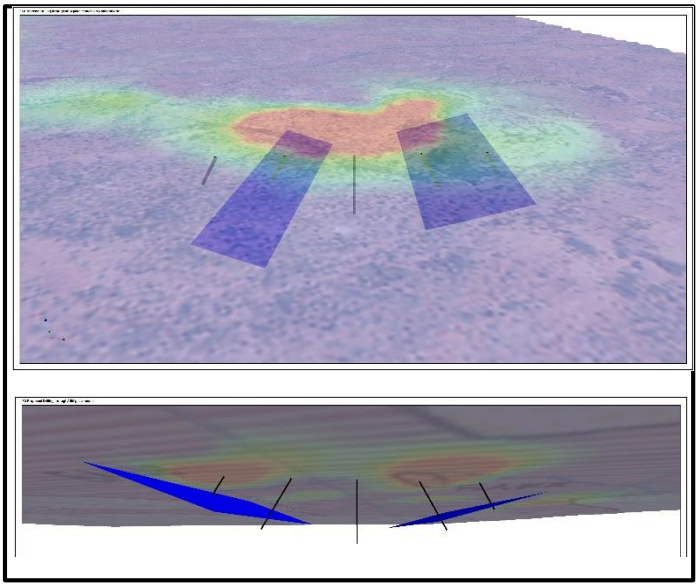

Figure 6. Two of the airborne EM Plate models in 3d (yellow plates in figure 5) with proposed drilling overlain by gold in regional soil sampling (800m line spacing). The plate models are also co-incident with elevated nickel and copper in regional soils.

The broad spaced nature of the aeromagnetic data is only reliable for identifying larger regional features and lacks the detail required for working at a local scale. However the company has identified some features of interest that is co-incident with the regional geochemical anomalies which may represent smaller distinct layers or intrusions within a larger intrusive body (fig 5).

There are number of EM anomalies where the airborne surveys have covered areas within the dolerite-gabbro-pyroxenite sequences that are of interest to the Company. Three of these anomalies were selected for detailed plate modelling on the basis of the proximity to the pyroxenite outcrop and elevated nickel, copper and gold in the regional soil sampling along strike of these anomalies (fig 6).

Yerrida Nickel Exploration History

Proterozoic terrains are highly prospective and are known to contain the majority of the world's base metal, nickel, gold and iron resources. Many of Australia's major mining centres are located in Proterozoic terrains including Broken Hill, Mt Isa, Century, Olympic Dam, Prominent Hill, and the Pilbara iron ore mines. Furthermore the recent Degrussa copper-deposit and Nova nickel discoveries in WA occur within Proterozoic terrains and as a result lot more exploration is now been focused into these largely unexplored regions.

The nickel potential of the Yerrida basin was first recognised by the GSWA in the late 1990s and early 2000s after completing government funded regional geochemical and geological surveys of the region and around the same time CRA Limited (now Rio Tinto) carried out some limited exploration targeting Norilsk style nickel mineralisation.

In 2009 with the benefit of the increased awareness and understanding of magmatic nickel sulphide deposits Jubilee Mines NL ("Jubilee") pegged the Cunyu Project to explore for Voisey's Bay and Norilsk style deposits. Jubilee completed some limited exploration including soil sampling and ground EM surveys which were never followed up as that company was bought by Xstrata (Xstrata subsequently merged with Glencore). In 2012 Great Western entered into a Heads of Agreement with Xstrata to earn 70% of the Cunyu project for carrying out the exploration. Other than this limited work completed by Jubilee on the company's Cunyu JV project there has been no other exploration carried out for nickel sulphides in the region since the withdrawal of CRA. The New Springs prospect is located 10km north of the Cunyu JV within tenements owned 100% by GTE.

Yerrida Nickel-Copper-Gold Exploration Strategy

The company is focused on the development of three highly prospective areas; the Finlayson (gold) Prospect, the New Springs (nickel-copper) Prospect, and the Goodin (copper-gold) Prospect.

The applied exploration strategy aims to develop multi commodity (copper, nickel, gold) drill ready targets to enable the Company flexibility in response to global market volatility.

The immediate priorities are;

1. A follow-up detailed geochemical survey over the immediate area of interest defined by recent drilling at the Finlayson Gold Prospect and the drilling of defined structural targets.
2. Target generation in preparation for maiden drilling at the New Springs Nickel Copper Prospect that includes the follow-up of the three EM plate models.
3. Further drilling at the Goodin Copper Gold Prospect, likely to occur later in 2015.

J A Luckett
Managing Director

Competent Person Statement
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jordan Luckett who is a member of the Australian Institute of Mining and Metallurgy. Mr Luckett is an employee of Great Western Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Luckett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.